

News Release

Farm Service Agency
Public Affairs Staff

1400 Independence Ave. SW
Stop 0506
Washington, DC 20250-0506

Release No. 1630.97

Steve Thompson (202) 720-7961
Steve_Thompson@wdc,fsa,usda.gov

USDA ANNOUNCES PROVISIONS OF THE 1998-CROP FLUE-CURED TOBACCO PROGRAM

WASHINGTON, December 15, 1997 -- The U.S. Department of Agriculture today announced the provisions of the 1998 flue-cured tobacco program.

The national marketing quota for the 1998 crop is 807.6 million pounds, down from the 1997 quota of 973.8 million pounds, and is based on the following:

	Million pounds
-- Purchase intentions by domestic cigarette manufacturers:	454.6
-- Unmanufactured exports (3 yr. average):	371.9
-- Reserve stock adjustment:	-42.4
-- Discretionary adjustment:	<u>23.5</u>
	807.6

The national average yield goal remains unchanged at 2,088 pounds per acre.

The price support level for the 1998 crop is \$1.628 per pound, up 0.7 cent from 1997.

The national acreage allotment for the 1998 crop is 386,782 acres, down from the 1997 allotment of 466,379 acres.

For each farm, the 1998 basic quota will decrease about 16.5 percent from 1997.

The effective quota is expected to be about 813 million pounds, or 20 percent below 1997.

- more -

The marketing assessment will be .814 cent per pound, which is paid by both growers and buyers, for a total of 1.628 cents per pound for the 1998 crop of flue-cured tobacco. Importers of flue-cured tobacco will be responsible for the full 1.628 cents per pound marketing assessments for imported tobacco. The amount of the no-net-cost assessments will be announced later.

For further program information, contact Verner Grise, telephone (202) 720-5291, E-mail address vgrise@wdc.fsa.usda.gov

#

NOTE: Farm Service Agency (FSA) news releases and media advisories are available on the World Wide Web at FSA's Home Page: <http://www.fsa.usda.gov>